

Message Text

PAGE 01 STATE 281963

61

ORIGIN EA-10

INFO OCT-01 EUR-12 ISO-00 PCH-02 CIAE-00 DODE-00 INR-07

NSAE-00 PA-02 RSC-01 USIA-15 PRS-01 SP-02 CG-00

DOTE-00 PM-03 NSC-05 SS-15 /076 R

DRAFTED BY EA/P:STAFF:PP

APPROVED BY EA/P:AHROSEN

----- 041206

R 262303Z DEC 74

FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TRSY WASHDC

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC HONOLULU HI

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

UNCLAS STATE 281963

COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 26 EA PRESS SUMMARY

1. INDOCHINA

AP SAIGON (SUN) CITES SAIGON MIL COMMAND THAT NVA AND VC FORCES OVERRAN THEIR FOURTH DISTRICT TOWN IN THREE-WEEK OFFENSIVE CHRISTMAS DAY. COMMAND ALSO SAID UNCLASSIFIED

PAGE 02 STATE 281963

VC SHELLS HIT BIEN HOA AIR BASE 15 MILES NE OF SAIGON JUST BEFORE DAWN TODAY - FIRST SINCE OCT. ACCORDING COMMAND, 37 SOVIET-BUILT ROCKETS STRUCK BASE OUTER PERIMETER AND NEAR BARRACKS, BUT NO CASUALTIES AND

DAMAGE LIGHT. LATEST TOWN TO FALL WAS TANH LINH, 70 MILES NE OF SAIGON.

NYT'S MARKHAM ALSO REPORTS ANNOUNCEMENT OF TANH LINH'S FALL AND ROCKETS LANDING IN VICINITY OF BIEN HOA AIR BASE. CITES ANALYSTS AS BELIEVING THAT PROVINCES EAST OF SAIGON ARE TARGETS. SOURCES SPECULATE THAT ONE AIM OF DRIVE IN EASTERN PROVINCES WOULD BE TO PUT PRESSURE ON RTE 1, VITAL COAST ARTERY. COMMAND ALSO SAID THAT IN ISOLATED PHUOC LONG PROVINCE, COMMUNIST TROOPS HAD PENETRATED MIL HQ OF DON LUAN, WHICH HAS BEEN UNDER ATTACK FOR MORE THAN A WEEK.

AP VIENTIANE (NYT) CITES INFORMED SOURCES, WHO COULD

NOT BE IDENTIFIED FURTHER, THAT REBELLIOUS LAO ARMY SOLDIERS, ESTIMATED TO NUMBER 100, TOOK OVER PROVINCIAL CAPITAL OF BAN HOUAI SAI. REBELS DEMANDED THAT TOWN BE DECLARED POLITICALLY NEUTRAL AND THAT GOVT REPEAL THE OPIUM LAW WHICH MAKES IT ILLEGAL TO CULTIVATE OPIUM FOR SALE. REBELS, MOST OF WHOM ARE LAO THEUNG HILL TRIBESMEN, SAID TO BE HEAVILY ARMED.

THERE HAS BEEN TROUBLE BEFORE WITH TRIBESMEN NEAR BAN HOUAI SAI, TOWN IN HEART OF 'GOLDEN TRIANGLE.' LAST REPORTED INCIDENT TOOK PLACE WHEN TRIBESMEN, FORMERLY EMPLOYED BY CIA, WERE ANGERED WHEN THEIR PAYMENTS STOPPED AFTER CIA PULLED OUT.

JACK HUXTABLE, AN AMERICAN, RUNS AID-FUNDED EXPERIMENTAL PROJECT TO ENCOURAGE OPIUM GROWERS TO RAISE OTHER CROPS. SOURCES SAID NO FOREIGNERS HURT DURING REBEL TAKEOVER BUT THAT HUXTABLE WAS CONFINED TO HIS HOUSE AND REBELS WERE USING HIS RADIO TRANSMITTER TO REACH STUDENT ACTIVISTS IN VIENTIANE AND ISSUE DEMANDS.

2. CHINA
UNCLASSIFIED

PAGE 03 STATE 281963

CDN'S SAM JAFFE (DEC 19) REPORTS LONG INTERVIEW WITH SENIOR CHINESE OFFICIAL, WHO ASKED THAT HIS NAME NOT BE USED AND THAT THERE SHOULD BE NO DIRECT QUOTES. SOURCE SAID FLATLY THAT COMPLETE NORMALIZATION IS DEPENDENT ON US SEVERING DIPLOMATIC RELATIONS WITH TAIWAN, ABROGATING TREATIES AND AGREEMENTS WITH NATIONALISTS AND WITHDRAWING ALL REMAINING MIL FORCES. GROUNDWORK FOR SINO-US RELATIONS WAS LAID BY MAO HIMSELF; POLICY CONFORMS TO CHINESE PEOPLE'S INTERESTS, AND CHINA WILL CONTINUE TO IMPLEMENT THIS POLICY. SOURCE CONCEDED THAT ON THE WHOLE, RELATIONS HAVE BEEN DEVELOPING ACCORDING TO PRINCIPLES OF SHANGHAI COMMUNIQUE; QUICKLY ADDED THAT PEKING IS NOT COMPLETELY SATISFIED

WITH PROGRESS IN NORMALIZING RELATIONS AND THAT RESPONSIBILITY RESTS WITH US SIDE. APPOINTMENT OF UNGER TO TAIWAN AND WASHINGTON'S PERMISSION FOR NEW GRC CONSULATES TO OPEN ON US SOIL DO NOT CONFORM TO SPIRIT OF SHANGHAI COMMUNIQUE. BUT THESE, SOURCE SAID, ARE CONSIDERED MINOR MOVES TO WHICH PRC ATTACHES NO IMPORTANCE; WHAT CHINESE DO ATTACH IMPORTANCE TO IS FUNDAMENTAL US POLICY. HE SAID THERE PROBABLY WILL BE FURTHER CULTURAL, SCIENTIFIC AND TRADE EXCHANGES NEXT YEAR, STRESSING THAT THESE DEVELOPMENTS WILL INEVITABLY BE AFFECTED BY ABSENCE OF COMPLETE NORMALIZATION.

RE SINO-SOVIET RELATIONS, OFFICIAL SAID CHINA IS NOT CONCERNED ABOUT POSSIBILITY OF SOVIET ATTACK, ALTHOUGH CHINESE STILL ARE PREPARING AGAINST POSSIBILITY OF WAR. CHINESE BELIEVE US IS STILL RUSSIA'S MAIN TARGET, POINTING OUT THAT THREE QUARTERS OF SOVIET MIL FORCES ARE CONCENTRATED IN EUROPE. SOURCE SAID PEKING DOES NOT BELIEVE US AND USSR CAN PULL CLOSER TOGETHER, HENCE PRC DOES NOT ATTACH MUCH IMPORTANCE TO RECENT SUMMIT TALKS.

ON DOMESTIC ISSUES, SOURCE SAID CHINESE GOVT ATTACHES GREAT IMPORTANCE TO QUESTION OF SUCCESSORS TO PRESENT CHINESE LEADERSHIP. MAO LAID GROUNDWORK SOME TIME AGO BY ADOPTING MEASURE DESCRIBED AS "THREE-IN-ONE UNCLASSIFIED

PAGE 04 STATE 281963

COMBINATION" - BRINGING TOGETHER YOUNG, MIDDLE-AGED AND OLD AT TOP LEVEL OF GOVT DOWN TO GRASS ROOTS. ADDED THAT CHINA APPLIED PRINCIPLE OF DEMOCRACY BY LISTENING TO CORRECT VIEWS OF MASSES AND TAKING THEM INTO CONSIDERATION, AND BY RELYING ON COLLECTIVE LEADERSHIP RATHER THAN ON INDIVIDUALS.

HE POINTED OUT THAT CHINA HAD NOTICED RESOTRATION OF CAPITALISM IN USSR, BUT IS DEAD SET AGAINST THAT HAPPENING IN CHINA. GPCR AND ANTI-CONFUCIUS, ANTI-LIN CAMPAIGN ARE EFFORTS TO PREVENT RESTORATION OF CAPITALISM.

SOURCE CONCEDED POSSIBILITY OF POWER STRUGGLE IN CHINA, CITING MAO THAT A RIGHTIST COUP D'ETAT WAS A POSSIBILITY, BUT THAT IT WOULD BE SHORT-LIVED. HE ADMITTED THERE IS STRUGGLE INSIDE PLA AND PARTY, BUT THIS STRUGGLE WAS ONLY TO DEFEAT THE BOURGEOISIE, AND WOULD CONTINUE FOR LONG TIME. OFFICIAL EMPHASIZED THAT STRUGGLE IS NOT ONE BETWEEN MODERATES AND RADICALS, OR BETWEEN ONE FACTION AND ANOTHER. HE ALSO SCOFFED AT REPORTS THAT MILITARY IS TRYING TO SEIZE POWER, DIS-CRIBING THEM AS COMPLETE FABRICATIONS.

CSM'S BURNS IN PEKING (12/24) WRITES THAT PEOPLE'S DAILY LAST FRIDAY CLAIMED RUSSIAN ENGINEERS BUNGLED YELLOW RIVER DAM, HERALDED AS SHOWPIECE OF SINO-SOVIET FRIENDSHIP WHEN COMPLETED IN 1960. SOVIETS NOT NAMED, BUT BURNS SAYS MOST CASUAL READER WOULD KNOW FOREIGN ENGINEERS WHOSE ERRORS SUPPOSEDLY THREATENED LARGE AREA OF RIVER BASIN WITH FLOODING

WERE RUSSIANS. PD CLAIMS RUSSIANS FAILED TO ALLOW FOR SILTING, WHICH CAUSED THREAT OF FLOODS ON UPRIVER TRIBUTARY, AND BLOCKED HYDROELECTIC INTAKE, THUS REDUCING DAM'S POWER OUTPUT. PD CLAIMS CHINESE ENGINEERS SUCCEEDED WHERE RUSSIANS FAILED, RUNNING OFF SILT THROUGH FOUR OF EIGHT INTAKE TUBES, WITH AID OF SPECIAL MUD-RESISTANT TURBINES. PD SAYS THIS SHOWS CHINA SHOULD PERSIST IN POLICY OF SELF-RELIANCE, AND NEVER ENTRUST SUCH AN IMPORTANT PROJECT TO FOREIGNERS. UNCLASSIFIED

PAGE 05 STATE 281963

JOC'S STRAUSS IN HONG KONG REPORTS ON RECORD PRC GRAIN HARVEST, EXCEEDING 1973 RECORD CROP "BY FAIRLY BIG MARGIN".

AP (TOKYO) SAYS RADIO PEKING SUMMARIZED EIGHT CRIMES COMMITTED BY SOVIET UNION DURING 1974, AND PREDICTED 1975 WOULD SEE NEW PHASE IN WORLD STRUGGLE AGAINST IMPERIALISM (WP, SUN, PHINQ).

3. JAPAN

OBERDORFER IN TOKYO (WP, ALSO PHINQ) REPORTS THAT BRIEF "CAREFULLY WORDED" GOJ DECLARATION SUBMITTED TO DIET BY FM MIYAZAWA SUGGESTS, BUT DOES NOT STATE THAT US WARSHIPS CARRYING NUKES NOT PERMITTED IN JAPANESE WATERS. STATEMENT ISSUED ON LAST DAY OF SPECIAL SESSION DOES NOT SEEM TO CHANGE ANYTHING 'IN PRACTICAL TERMS', SAYS THAT IN PRINCIPLE GOJ DOES NOT PERMIT FOREIGN VESSELS "USUALLY EQUIPPED" WITH NUKES, SUCH AS "POLARIS OR SIMILAR VESSELS", TO TRANSIT JAPANESE WATERS; THAT US WARSHIPS ARE FREE TO NAVIGATE JAPANESE WATERS UNDER MST; BUT THAT PRIOR CONSULTATION REQUIRED 'IF NUKES INTRODUCED'. PRESS AND OPPOSITION QUICK TO POINT OUT GOJ DID NOT DEFINE "INTRODUCTION," AND OBERDORFER SAYS SOME READINGS OF MST SUGGEST JAPAN MUST BE CONSULTED ONLY IF NUKES "DEPLOYED" INTO JAPAN, NOT IF PASSING THROUGH US BASES OR JAPANESE WATERS "IN TRANSIT." COMMENTS THAT FORD DID LITTLE TO CLEAR UP CONTROVERSY DURING VISIT, WHEN HE GAVE NO PRESS CONFERENCE "PERHAPS BECAUSE OF TOUCHY NUKE ISSUE" AND SIDESTEPED OPPOSITION ATTEMPTS TO DISCUSS IT. ADDS THAT HAK REPEATED

STANDARD US LANGUAGE IN TOKYO AND PROMISED TO DISCUSS
ISSUE WITH THEN FM KIMURA, BUT ON RECORD NOTHING
CAME OF IT.

NYT REPORTS SAME BASIC STORY, BUT CALLS ATTENTION
TO NYT REPORT LAST OCTOBER THAT SINCE 1960 SECRET
US-GOJ UNDERSTANDING ALLOWS US WARSHIPS AND PLANES

UNCLASSIFIED

PAGE 06 STATE 281963

TO MOVE NUKES THROUGH JAPAN "IN TRANSIT," PROVIDED
WEAPONS NOT BASED IN JAPAN. SAYS AGREEMENT WAS
WORKED OUT WHEN MST WAS REVISED DURING 1959-60.
OBSERVES THAT MIYAZAWA DID NOT REFER TO THIS SECRET
UNDERSTANDING IN HIS STATEMENT IN UPPER HOUSE CABINET
COMMITTEE, WHERE IT NOT DEBATED ON LAST DAY OF SPECIAL
SESSION. BUT HEATED QUESTIONING EXPECTED WHEN DIET
CONVENES IN REGULAR SESSION AFTER NEW YEAR HOLIDAY.

MARITIME SAFETY AGENCY AND MISTUBISHI OIL CO. OFFICIALS
SAY THEY HOPE TO CLEAN UP 80 MILE WIDE OIL SLICK IN
INLAND SEA BY NEXT WEEK (WP). FISHERIES LOSS ESTIMATED
AT MORE THAN 20 MILLION DOLS (AP, NYT, WSJ; UPI, NYDN).

JAPAN AIR SELF DEFENSE FORCE REVEALS SIX SOVIET
TU-95 "BEARS" FLEW THREE RECONNAISSANCE FLIGHTS
AROUND JAPAN WEEK OF DEC 19; SAY THIS FIRST TIME IN
SIX YEARS SOVIET PLANES CIRCUMNAVIGATED JAPAN, INCLUDING
OKINAWA (UPI, NYDN, WP, NYT).

JOC'S CULLISON IN TOKYO SAYS TRADE OFFICIALS AND
BUSINESSMEN SOMEWHAT LEERY ABOUT TWO-EDGED NATURE
OF TRADE BILL PASSED BY CONGRESS, BUT OVERALL VIEW
IT AS PROMISING MEANS TO NEGOTIATE REDUCTION OF TRADE
BARRIERS.

EMPEROR HIROHITO, AGE 73, BEGAN 49TH YEAR OF REIGN
WITH WORK AS USUAL AT PALACE; ANNIVERSARY NOT
CELEBRATED (PHINQ).

4. KOREA

CSM'S SOUTHERLAND IN SEOUL (DEC 24) REPORTS THAT
KIM DAE JUNG HAS BECOME MORE VISIBLE, VENTURING
OUT OF HIS HOUSE TO ATTEND PROTEST OR PRAYER
MEETINGS. KIM THINKS PARK HAS RELAXED THE SUPPRESSION
SOMEWHAT AND ATTRIBUTES THIS TO US INFLUENCE AND
FORD'S VISIT. HOWEVER, KIM EXPRESSES DOUBTS ABOUT
HOW LONG IT WILL LAST, COMMENTING THAT 'BASICALLY
THE PARK GOVERNMENT WAS ENCOURAGED BY MR. FORD'S
VISIT.....I'M NOT SAYING THAT PRESIDENT FORD AND HIS
UNCLASSIFIED

PAGE 07 STATE 281963

ADMINISTRATION ARE INTENTIONALLY SUPPORTING PRESIDENT PARK'S DICTATORSHIP. BUT AS LONG AS THEY PUT SECURITY FIRST AND DEMOCRACY SECOND, THE RESULT IS SUPPORT FOR THE SUPPRESSION OF DEMOCRACY."

AP SEOUL (PHINQ) REPORTS INAUGURATION OF "NATIONAL CONGRESS FOR THE RESTORATION OF DEMOCRACY" WEDNESDAY. GROUP COMPOSED OF ABOUT 20 POLITICAL FIGURES, RELIGIOUS

LEADERS AND INTELLECTUALS, INCLUDING KIM DAE JUNG, WHO SEEK TO COORDINATE EFFORTS FOR NEW CONSTITUTION. MEETING MONITORED BY ABOUT 100 PLAINCLOTHES POLICE WHO OCCUPIED CHAIRS THROUGHOUT SESSION. ABOUT 100 RIOT POLICE WAITED OUTSIDE, BUT THERE WERE NO INCIDENTS.

REV MOON AND UNIFICATION CHURCH FOLLOWERS WERE TARGETS OF COUNTER-RALLY OF PORNOPHILERS AND PORNO BUSINESS REPS IN LA THIS WEEK. LAST WEEK, MOON AND 350 FOLLOWERS MARCHED DOWN HOLLYWOOD BLVD PAYING PARTICULAR ATTENTION TO X-RATED MOVIE HOUSES, SEX SHOPS AND BOOKSTORES. PUBLISHER OF EXPLICIT SEX STORIES TOLD RALLY "MOON IS A VERY STRONG THREAT TO FREEDOM OF THE PRESS AND SPEECH." (PHINQ)

5. AUSTRALIA

ALL PAPERS AND NETWORKS CARRY DETAILED REPORTS ON DARWIN DEVASTATION AND AUSSIE EMERGENCY RELIEF AND EVACUATION MEASURES. NOTHING REPORTED YET ON ANY US HELP. ACTING PM CAIRNS FLEW TO DARWIN "TO PERSONALLY DIRECT" RESCUE OPERATIONS WHILE SOME PAPERS QUOTED WHITLAM IN LONDON SAYING HE DID NOT PLAN TO CANCEL EUROPEAN TRIP. LATER RADIO REPORTS HAD WHITLAM RETURNING. SEVERAL PAPERS ALSO CONTINUE REPORTING ON MYSTERIOUS CASE OF MR. STONEHOUSE.

JOC REPORTS THAT NEWS THAT US CITIZENS WILL BE ABLE TO DEAL PRIVATELY IN GOLD FROM DEC. 31 HAS PROMPTED LOBBYING EFFORTS BY AUSTRALIAN GOLD MINING INDUSTRY FOR SIMILAR CONCESSIONS; GOA REMAINS NONCOMMITTAL.

UNCLASSIFIED

PAGE 08 STATE 281963

6. NEW ZEALAND

JOC (AUCKLAND) REPORTS LONG-TERM CONTRACT SIGNED BY NEW ZEALAND DAIRY BOARD TO SUPPLY MINIMUM OF NZ 10 MILLION DOLS WORTH OF BUTTER, CHEESE AND MILK POWDER PER YEAR TO IRAQ.

JOC'S MCLAUCHLAN IN AUCKLAND REVIEWS LABOUR GOVT EFFORTS TO CHIP AWAY AT INCOME DISPARITIES. THESE INCLUDE STUDY OF REVISION OF INCOME TAX STRUCTURE, AND MEANS TO MAKE RECIPIENT OF 'UNEARNED' DIVIDEND INCOME PAY MORE TAX THAN COMPANY PAYING DIVIDENDS, TO PERMIT FIRMS TO RETAIN MORE FOR WORKING CAPITAL.

7. SINGAPORE

REUTER SINGAPORE (SUN) COVERS RECENT PACIFIC BASIN

ENERGY CONFERENCE ORGANIZED BY LONDON FINANCIAL TIMES AND OTHERS. CITES OIL RIG MANUFACTURER THAT OF 158 RIGS NOW UNDER CONSTRUCTION IN WORLD SHIPYARDS, 58 ARE SCHEDULED FOR DELIVERY IN 1975. OF THESE 11 WILL BE BUILT IN SINGAPORE, 19 PERCENT OF WORLD OUTPUT.

COMMENT AND ANALYSIS

8. CHINA

S-N'S BRADSHER (DEC. 24) SAYS CHINESE ARE MAKING SURE THAT EVERYONE KNOWS THEY ARE GETTING IMPATIENT WITH US OVER TAIWAN ISSUE; DIPLOMATS SPECULATE THAT RELATIVE COOLNESS TOWARDS HAK AND WARMTH TOWARDS MANSFIELD, WHO GOT LONGER VISIT WITH CHOU, WAS INTENDED TO EMPHASIZE THAT IMPATIENCE. BUT PRC'S ESCALATED CASTIGATION OF US IN NCNA OUTPUT AND IN UN SPEECHES APPEARS TO BE LESS A MATTER OF PRESSURE OVER QUESTION OF TAIWAN AND US-PRC RELATIONS THAN PART OF LARGER CHINESE EFFORT TO BE CHAMPION OF NATIONS WHICH HAVE GRIEVANCES AGAINST "SUPERPOWERS.;

BRADSHER CONTENTS THAT INDIRECT PRC ACCUSATIONS OF UNCLASSIFIED

PAGE 09 STATE 281963

US EFFORTS TO EXARCEBATE SINO-SOVIET RELATIONS HAVE BEEN MADE BY TELLING SOME VISITING PREMIERS AND PRESIDENTS THAT US HAS BEEN SENDING WARNINGS OF POSSIBLE SOVIET ATTACKS; BUT CHINESE SAY THEY ARE NOT SERIOUSLY WORRIED, SINCE THEY KNOW THAT USSR IS REALLY THREATENING WEST EUROPE.

WP FEATURES JOHN BURNS (GLOBE AND MAIL) ARTICLE ABOUT PRC HANDBOOK ON WARFARE PUBLISHED AS TEXT FOR HIGH SCHOOL AND UNIVERSITY GRADS RESETTLED IN COUNTRYSIDE. BURNS NOTES HANDBOOK DOWNPLAYS DANGERS OF NUCLEAR WARFARE.

BURNS WRITES SEPARATELY ON DIFFERENCE BETWEEN WESTERN AND CHINESE ATTITUDES TOWARD DOMESTIC ANIMALS. ANIMALS

IN CHINA ARE APPRECIATED FOR THEIR USEFULNESS, AS THEY CAN CATCH A RAT OR HAUL A LOAD OF VEGETABLES TO MARKET; FOR THEIR-ESTHETIC VALUE, AS A BIRD OF COLORED PLUMAGE OR A GOLDEN-GILLED DOGFISH CAN BRIGHTEN UP A ROOM; AND FOR THEIR RARITY, AS WITH PANDAS. BUT THEY DO NOT SEEM TO BE LOVED AND APPRECIATED FOR THEMSELVES, AS IN THE WEST.

AFP'S FLIPO (PHINQ) WRITES ABOUT CHRISTMAS IN PEKING. CHRISTMAS 1974 DIFFERED FROM PREVIOUS YEARS IN SPECIAL

EFFORT MADE BY CHINESE TO MAKE SPECIAL ITEMS AVAILABLE IN FRIENDSHIP STORE AND AT INTERNATIONAL CLUB RESTAURANT. CELEBRATION OF CHRISTMAS WAS LIMITED TO FOREIGN COMMUNITY AS WELL AS TO FEW DOZEN CHINESE WHO ATTENDED RELIGIOUS SERVICES.

JOC'S STRAUSS IN HK (DEC 24) TAKES VIEW THAT WANG HUNG-WEN HAS LESS INFLUENCE THAN HIS POSITION WOULD INDICATE. REFERS TO WANG SPEECH TO STUDY CLASS LAST JAN (WHICH HAS BEEN AUTHENTICATED BY DIPLOMATS) SHOWING THAT WANG HAS BEEN MAKING POLICY RECOMMENDATIONS WHICH HAVE BEEN FILLED AND THEN REVERSED OR IGNORED. SAYS WANG ALSO HAVING PROBLEMS WITH PRC MILITARY. AND WHILE WANG MAY BE IN DIFFICULTIES, TENG HSIAO-PING SEEMS TO BE PROSPERING AND IS TAKING INCREASING UNCLASSIFIED

PAGE 10 STATE 281963

INTEREST IN ECONOMIC AFFAIRS.

9. VIETNAM

WP'S MCCOMBS DOES TRISTE PIECE ON SVN CONDITIONS THROUGH EYES OF STUDENT WHO RETURNED FOR YEARS FROM US AND SAW DETERIORATION OF LIFE IN DELTA. SAYS SAD STUDENT DEPARTURES HAVE GRIM FINALITY AND JOURNEYS HAVE A WAY OF TURNING INTO FOREVER, NOTING THAT SINCE 1971 3359 VN STUDENTS HAVE GONE ABROAD TO STUDY BUT ONLY 67 REPATRIATED DURING THAT PERIOD. DRAIN OF COUNTRY'S BEST AND BRIGHTEST YOUTH HAS BEEN GOING ON LIKE THIS SINCE EARLY 1960'S.

10. THAILAND

JOHN BURGESS IN BANGKOK (WP) MAKES OBSERVATION THAT MIL STRONGMEN WHO RULED THAILAND FOR FORTY YEARS HAVE TRADITIONALLY LEFT OFFICE WITH GREAT WEALTH; CITES THANOM, NARONG AND PRAPHAS AS EXAMPLES. NO ONE KNOWS HOW MUCH THEY TOOK WITH THEM OR HAD ALREADY DEPOSITED IN FOREIGN BANKS WHEN THEY WENT INTO EXILE, BUT WEALTH THEY LEFT BEHIND HAS BEEN LABORIOUSLY SCRUTINIZED AND ASSESSED OVER 70 MILLION DOLLARS BY

SPECIAL GOVT COMMITTEE. GOVT CONFISCATED PROPERTY WITH RIGHT TO APPEAL. HOW MUCH WAS OBTAINED THROUGH LEGITIMATE BUSINESS OPERATIONS AND HOW MUCH THROUGH CORRUPTION WILL ALWAYS BE DISPUTED, BUT MOST OBSERVERS THINK THAT BULK WAS GAINED THROUGH LEGAL MEANS - THROUGH NUMEROUS GOVT POSITIONS THEY HELD. CONCEPT OF CONFLICT OF INTERESTS AT TIMES APPEARS NOT TO HAVE OCCURRED TO ANYONE. THUS PRAPHAS COULD BE MIN OF INTERIOR AND AT SAME TIME HAVE HAND IN CONSTRUCTION

COMPANIES WHICH CONTRACTED WITH MINISTRY. NARONG HEADED INDEPENDENT AGENCY TO CURB CORRUPTION, BUT AT SAME TIME WAS PART OWNER OF COMPANIES VYING FOR COVETED GOVT LICENSES AND CONTRACTS. ANALYSTS HAVE NOTED THAT THE MEN'S WEALTH WAS CONCENTRATED IN INDUSTRIES WHICH DEPENDED HEAVILY ON GOVT LICENSING, CONTRACTS, FRANCHISES AND PROMOTION - FINANCE, UNCLASSIFIED

PAGE 11 STATE 281963

CONSTRUCTION, TRANSPORTATION, AND MINING.

11. KOREA

NYT'S BUTTERFIELD IN SEOUL NOTES THAT BESET BY INFLATION AND SLUMP, ROKG HAS ADOPTED STRONG PROGRAM TO STIMULATE ECONOMY AND AVOID UNEMPLOYMENT EVEN AT RISK OF HIGHER PRICES. AS PART OF PROGRAM, SEOUL DEVALUED CURRENCY BY 20 PERCENT TO BOLSTER EXPORTS. ANTI-RECESSIONARY PROGRAM ALSO INVOLVES LARGE NEW PUBLIC WORKS APPROPRIATIONS, HIGHER SALARIES FOR GOVT AND MIL PERSONNEL, EASED EXPORT CREDITS AND SPECIAL GOVT FUNDS TO BUY UP UNSOLD INVENTORIES. CITES WESTERN ECONOMISTS THAT PROGRAM IS "DELIBERATE TILT IN FAVOR OF STOPPING RECESSION, BECAUSE UNEMPLOYMENT IS WHAT THE GOVERNMENT IS MOST WORRIED ABOUT. BUT IT IS A CALCULATED GAMBLE, BECAUSE IF THE WORLD ECONOMY CONTINUES TO GO DOWNHILL, THINGS ARE GOING TO BE EVEN WORSE FOR KOREA."

DESPITE ECON TROUBLES AND POLITICAL UNREST IN SK, MOST US BUSINESSMEN IN SEOUL STILL SEEM CONFIDENT IN COUNTRY'S FUTURE. ON POLITICAL UNREST, QUOTES LEADING US BUSINESSMAN THAT "YOU HAVE TO MAKE A DISTINCTION BETWEEN YOUR MORAL FEELINGS ABOUT THE PLACE AND WHAT YOU CAN SEE ABOUT THE ECONOMIC RELIABILITY OF THE GOVERNMENT. "

12. BURMA

NYT'S WEINRAUB IN RANGOON OBSERVES THAT WHILE MOST RESIDENTS SEEM NERVOUS ABOUT BURMA'S FUTURE, NE WIN REMAINS PUBLICLY COOL AND EVEN NONCHALANT. THE

OTHER MORNING NE WIN DECIDED TO PLAY A ROUND OF GOLF -
IN THE EYES OF BURMESE A POINTED REMINDER TO ANTI-GOVT
STUDENTS THAT HE WAS SECURELY THE BOSS AND DEMONSTRATIONS
DIDN'T INTERFERE WITH HIS WELL-KNOWN PENCHANT FOR THE
SPORT. QUOTES ASIAN DIPLOMAT THAT "NE WIN KNOWS THE
COUNTRY AND THE PEOPLE. HE OPERATES ON THE ACCURATE
ASSUMPTION THAT THE PEOPLE ARE ESSENTIALLY VERY SIMPLE
PEOPLE WHOSE CONDITION IS AN AUTOCRATIC GOVERNMENT.
UNCLASSIFIED

PAGE 12 STATE 281963

THERE'S ALWAYS BEEN AN EMPEROR OR A KING OR A COLONIAL
OVERLORD. NE WIN ACTS LIKE ALL THREE."

VIOLENCE IN RECENT MONTHS, UNDERLINING ANGER AT NE WIN'S
AUTHORITARIAN REGIME, WAS CRUSHED BY SECURITY FORCES.
WITH PRICES CLIMBING AS MUCH AS 100 PERCENT IN LAST
FEW YEARS, WAGES STAGNANT AND PRODUCTION DECLINING,
FOREIGNERS ASK HOW HE ENDURES. WEINRAUB COMMENTS
THAT POSSIBLY THE CENTRAL REASON IS HIS MANIPULATIVE
CONTROL OVER 150,000-MAN ARMY, ADDING THAT AS DOMINANT
ARMY FIGURE SINCE WWII, NE WIN HAS PROMOTED HIS COLLEAGUES
OF THE FOURTH BURMA RIFLES, HIS WAR OUTFIT, AND HAS
SHAPED A SYSTEM OF INTERNAL INTELLIGENCE THAT BEGINS
AT EACH STREET AND VILLAGE, AS WELL AS IN LOCAL ARMY
UNITS. MAW

NOTE BY OC/T: POUCHED TO BUDAPEST.

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 27 JUL 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 26 DEC 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974STATE281963
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Film Number: D740375-0448
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741276/abbrzagq.tel
Line Count: 519
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 30 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <30 MAY 2002 by colstocv>; APPROVED <31 DEC 2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: DECEMBER 26 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
TRSY
BIEN HOA
CAN THO
DANANG
HONG KONG
NHA TRANG

JEC PARIS INFO USSAGE NKP
CINCPAC HONOLULU HI
COGARD
BUDAPEST BY POUCH
XMT SUVA

Type: TE

Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005